

Statement of the American Society of Travel Agents
Senate Committee on Commerce, Science and Transportation

Hearing on Airline Customer Service
June 28, 2000

The American Society of Travel Agents (ASTA)¹ applauds Senator McCain's endeavors to monitor the airline industry's voluntary commitment to improve passenger rights and services as evident by the June 28, 2000 Senate Commerce hearing on Airline Customer Service. ASTA submits the following statement for the hearing record.

It comes as no surprise to travel agents that the voluntary plans put forth by the airlines have not yielded satisfactory results. Passenger complaints to the DOT more than doubled between 1998 and 1999 from 7,980 to 17,381. What's more, since the airline plans took effect, complaints from passengers climbed another 74 percent. ASTA renews its call for swift passage of an Air Travelers Bill of Rights and is pressing for the introduction of a Senate version of HR 2200, legislation that would establish a national policy of fair treatment for airline passengers and travel agents.

ASTA, the world's largest travel trade association, also calls for a halt to government consideration of approval for any airline merger or alliance until customers can fly with the respect, courtesy, convenience and reliability which they, as the ultimate owners of the air space, are entitled to. What is needed is a national policy of passenger rights and that policy can be found in the provisions of HR 2200, the *Omnibus Airline Passenger Fair Treatment Act*. This legislation ensures that consumers of air travel will be treated with respect and dignity, will be afforded full access to fare and schedule information, and will have access to the travel distribution channel of their choice.

As a first step in correcting the inequities, there is one huge gap that Congress must address and that is the right of air passengers and travel agents to resolve disputes with airlines under state law. That action alone would give air consumers the same rights that consumers of any other product have, the right to sue under state law.

In some cases, the Airline Deregulation Act has been misinterpreted as preventing air travelers and other businesses with claims against airlines from exercising their basic right--to resolve a dispute in court. There are currently three bills that address the preemption issue--HR 272, the *Airline Competition and*

¹ The mission of the American Society of Travel Agents is to enhance the professionalism and profitability of members worldwide through effective representation in industry and government affairs, education and training, and by identifying and meeting the needs of the traveling public. The Society, the world's largest and most influential travel trade association, and its affiliates represent over 26,000 members in more than 170 countries.

Lower Fares Act, introduced by Rep. Louise Slaughter (D-NY); HR 2200, the *Omnibus Airline Passenger Fair Treatment Act*, introduced by Rep. John E. Sweeney (R-NY); and S 477, the *Airline Competition Act of 1999*, introduced by Sen. Charles Schumer (D-NY).

Clarification of the preemption language is supported by the National Association of Consumer Agency Administrators (NACAA). They, like ASTA, believe that the public must be able to access state consumer laws to resolve disputes with the airlines. Federal preemption provisions embodied in the Airline Deregulation Act were intended as a shield primarily to protect the airline industry from random re-regulation by the states. The airlines, however, have turned it into a sword with which they deflect small business and consumers who seek to hold them legally accountable.

ASTA's call for a moratorium on all mergers and joint ventures until the issue of passenger rights has been adequately addressed was supported by the Inspector General's report which read: "In the long run if the number of actual *or potential* competitors in the air markets declines, there is likely to be less competitive pressure on the remaining air carriers to offer improved service amenities or introduce additional ones."

Approving another large merger and further reducing competition in the industry only serves to compound the customer service and passenger rights problem, ASTA's message is this: No more mergers, no more alliances, and no more airline joint ventures should be permitted as long as passengers are screaming for relief from air arrogance and indifference resulting from this ever-growing oligopoly in the skies. As the rightful owners of airways and airport facilities, the public has a right to respect, fair dealing and truthfulness. Deliver that first then the government can consider the rest.

ASTA has been at the forefront of the air travelers rights issue. Two years ago, ASTA unveiled the Air Traveler's Bill of Rights, asking that the airlines voluntarily adopt the program. When that effort was rejected by the airlines, ASTA turned to lobbying efforts on Capitol Hill. The passenger rights movement has gained significant support from several Congressional leaders. Sen. Ron Wyden (D-OR) has been a particularly staunch supporter of the movement and was successful in amending the DOT Appropriations Bill last session to fund the DOT IG investigation. Other efforts have been made by Sen. Richard Shelby (R-AL) and Reps. Pete A. DeFazio (D-OR), John D. Dingell (D-MI), Bud Shuster (R-PA), Sweeney (R-NY) and Edolphus Towns (D-NY).

The *Omnibus Airline Passenger Fair Treatment Act* HR 2200, introduced by Rep. John Sweeney (R-NY), includes the following rights:

- C Full access to fares regardless of the method a consumer uses to purchase the ticket—travel agent; direct-call and Internet users would have access to the same price.
- C Accurate and timely explanation of flight delays and related problems.
- C Right to use all or part of any ticket purchased if doing so saves the consumer money.
- C Access to state consumer laws to resolve disputes with airlines.
- C Right to deplane a delayed aircraft parked at the terminal ramp.
- C Access to reasonable in-flight emergency medical care.

ASTA has received the backing of a number of other travel organizations and consumer advocacy organizations such as the National Tour Association and the Coalition for Travel Industry Parity.

ASTA's renewed call for a legislated solution comes in the wake of the Interim Report on Airline Customer Service Commitment issued by Kenneth Mead, Inspector General of the Department of Transportation. Mead's testimony before the Committee on Commerce, Science and Transportation hearing on the apparent lack of progress made by the airlines in their voluntary customer service commitments, as well as problems with overbooking and consumer access to low fares

The Inspector General noted that despite the Airlines' publication of their "commitments" by Sept. 15, 1999, not all plans had been fully implemented a full three months later. He further reported that "the airlines' commitment for better customer service was essentially a recommitment to place substantially greater emphasis on existing law," not a significant move toward new and higher standards of customer care. Though optimistic in certain respects, the Report was fundamentally and broadly critical of the airlines' compliance with their "voluntary" customer service commitment plans.

Key findings included:

- C The airlines' customer service commitment "**does not directly address the underlying reasons for customer dissatisfaction**, such as extensive flight delays, baggage not showing up on arrival, long check-in lines and high fares in certain markets ... until these areas also are effectively addressed by the airlines, FAA and others there will continue to be discontent among air travelers."
- C "**Less than half (the airlines) had comprehensive customer service contingency plans** in place for handling extended delays on-board aircraft at all the airports they served. The provision(s) use general terms such as *food, every reasonable effort, for an extended period of time* or *emergency*. These terms are not clearly defined and do not provide the passenger with a clear understanding of what to expect."
- C The commitment and the airlines' plans "while conveying promises of customer service standards do not necessarily translate into legally enforceable passenger rights. ... The enforceable contract between the airlines and their passengers may be less advantageous to the passengers than the provisions found in the airlines plans."
- C (There is) "**major room for improvement in the accuracy, reliability and timeliness of the Airlines' communications to customers about the status of flights.**"
- C "**Information being provided about known delays and cancellations at airport check-in counters and in the boarding areas was frequently inaccurate, incomplete or unreliable. ...** Simply communicating is not sufficient if the information is not accurate."
- C There were a "sufficient number of cases in which the lowest fare was not offered to warrant that the airlines pay special attention to this area."
- C With respect to low price guarantees, "when a ticket purchase was required, **we typically were not told by the reservation agents that we could receive a full refund** if the reservation was canceled within 24 hours."